

Message to the Congress on Libya
July 22, 1996

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of January 22, 1996, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report on January 22, 1996.

3. During the current 6-month period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (91) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Three licenses were issued for the expenditure of funds and acquisition of goods and services in the United States by or on behalf of accredited persons and athletes of Libya in connection with participation in the 1996 Paralympic Games. One license was issued to authorize a U.S. company to initiate litigation against an entity of the Government of Libya.

4. During the current 6-month period, OFAC continued to emphasize to the inter-

national banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The Office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 129 transactions potentially involving Libya were interdicted, with an additional \$7 million held blocked as of May 15.

5. Since my last report, OFAC collected eight civil monetary penalties totaling more than \$51,000 for violations of the U.S. sanctions against Libya. Two of the violations involved the failure of banks to block funds transfers to Libyan-owned or Libyan-controlled banks. Two other penalties were received from corporations for export violations, including one received as part of a plea agreement before a U.S. district judge. Four additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 30 cases involving similar violations are in active penalty processing.

On February 6, 1996, a jury sitting in the District of Connecticut found two Connecticut businessmen guilty on charges of false statements, conspiracy, and illegally diverting U.S.-origin technology to Libya between 1987 and 1993 in violation of U.S. sanctions. On May 22, 1996, a major manufacturer of farm and construction equipment entered a guilty plea in the United States District Court for the Eastern District of Wisconsin for Libyan sanctions violations. A three-count information charged the company with aiding and abetting the sale of construction equipment and parts from a foreign affiliate to Libya. The company paid \$1,810,000 in criminal fines and \$190,000 in civil penalties. Numerous investigations carried over from prior reporting periods are continuing and new reports of violations are being pursued.

6. The expenses incurred by the Federal Government in the 6-month period from January 6 through July 6, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately \$730,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of

Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting United Nations Security Council Resolution 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

William J. Clinton

The White House,
July 22, 1996.

**Remarks at the Asian-American
Democratic Dinner in Los Angeles,
California**

July 22, 1996

Thank you very much. Please be seated. Thank you. Thank you for the wonderful warm welcome. Thank you for being here in such impressive numbers.

I'd like to begin by saying a special word of thanks to our emcees Steve Park and Amy Hill. I think they did a wonderful job and I think we ought to give them a round of

applause. *[Applause]* I also thought the East-West Players were terrific, and I thank them and the other entertainers who were here earlier tonight for taking their time to come here and make this evening more enjoyable for all of us. Thank you. A great job.

If I could learn how to beat those sticks like that I think I could intimidate the Congress by doing it, you know. Maybe I should take some instruction.

I'm honored to be here with the chairman of the Democratic Committee, Don Fowler; the chairman of the California Democratic Party, Art Torres, thank you for being here, sir. And thank you, March Fong Eu, for being a wonderful public servant and a great friend and a wonderful supporter. Thank you, Bob Matsui, for your leadership in the Congress and in the Democratic Party. I should say also that one of those 197 Asian-Pacific Americans in my administration is Bob's terrific wife, Doris, who's also here tonight. And thank you, Doris, for your work. Thank you.

And I'd like to thank my longtime friend John Huang for being so effective. Frankly, he's been so effective, I was amazed that you were all cheering for him tonight after he's been around—*[laughter]*—in his aggressive efforts to help our cause.

Ladies and gentlemen, in 1992 when I ran for President, I had a very clear reason for doing so and a very definite idea about what it was I wanted to do. I ran because I thought our country was in danger of drifting divided into the 21st century in a way that would undermine the American dream at home, split up our sense of community, and weaken our ability to continue to lead the world in a positive way. And I wanted to see the United States go into the next century in an aggressive united way with the American dream alive for all people who come here from wherever who are willing to work for it; with this country coming together celebrating our diversity instead of being divided by it; and with America still the world's strongest force for peace and freedom and security and prosperity.

That is why I ran. Many of you in this room helped me in that election. And I have worked as hard as I could to achieve that vision by working to create opportunity, by